

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SERGIO LOVATI, RUDI LOVATI,
ALESSANDRA SARAGO LOVATI AND
ALESSANDRO LUCIBELLO PIANI,

Plaintiffs,

v.

THE BOLIVARIAN REPUBLIC OF
VENEZUELA,

Defendant.

CIVIL INDEX NO.1:19-cv-4793

COMPLAINT

Plaintiffs Sergio Lovati, Rudi Lovati, Alessandra Sarago Lovati and Alessandro Lucibello Piani (collectively, “Plaintiffs”), by their undersigned counsel, as and for their Complaint against Defendant Bolivarian Republic of Venezuela (the “Republic”), allege as follows:

NATURE OF THE ACTION

1. This is a breach of contract action arising from the Republic’s failure to make contractually-mandated interest payments on certain bonds (the “2023 Bonds”), held by Plaintiffs and issued by the Republic pursuant to a Fiscal Agency Agreement, dated as of July 25, 2001, as amended (the “FAA”), entered into by and among the Republic, Banco Central de Venezuela, as official financial agent of the Republic, and Deutsche Bank Trust Company Americas, f/k/a/ Bankers Trust Company (the “Fiscal Agent”) and Deutsche Bank AG, as fiscal agents and principal paying agents. For their relief, Plaintiffs seek payment of the accrued and unpaid interest on the 2023 Bonds held by the Plaintiffs, as provided in the FAA, under the 2023 Bonds and under

New York law. A true and accurate copy of the FAA, with the forms of the 2023 Bonds attached as exhibits thereto, is attached hereto as **Exhibit A**.

THE PARTIES

2. Plaintiff Sergio Lovati is a natural person residing in the Italian Republic (“Italy”).
3. Plaintiff Rudi Lovati is a natural person residing in Italy.
4. Plaintiff Alessandra Sarago Lovati is a natural person residing in Italy.
5. Plaintiff Alessandro Lucibello Piani is a natural person residing in Italy.
6. Defendant Bolivarian Republic of Venezuela is a Foreign State as defined in 28 U.S.C. § 1603.

JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1330(a), as the Republic is a Foreign State which has explicitly and unconditionally waived sovereign immunity with respect to actions arising out of or based on the securities issued pursuant to the FAA, or arising out of or based on the FAA itself, by holders of the securities thereunder and is, therefore, not entitled to immunity under 28 U.S.C. §§ 1605-07 or under any applicable international agreement.

8. In addition, this Court has personal jurisdiction over the Republic because the Republic regularly conducts business in New York and the Republic consented in the FAA to submit to the jurisdiction of this Court, in respect to actions by holders of securities issued under the FAA, arising out of or based on such securities, or arising out of or based on the FAA itself.

9. Venue is proper in this district by agreement of the parties and pursuant to 28 U.S.C. § 1391(f).

10. The Republic has appointed as its authorized agent for service of process the Consul General of the Republic or, in his or her absence or incapacity, any official of the Consulate of the Republic, located at 7 East 51st Street, New York, New York 10022.

FACTUAL ALLEGATIONS

The Republic's Non-Payment on Sergio Lovati's 2023 Bonds

11. The following relates to Sergio Lovati's 2023 Bonds:

a. Sergio Lovati is the owner of \$34,974,700.00 principal amount of 2023 Bonds (the "Sergio Lovati 2023 Bonds"), issued pursuant to the FAA by the Republic. The ISIN for the Sergio Lovati 2023 Bonds is USP17625AA59. The Sergio Lovati 2023 Bonds have a coupon rate of 9% per annum and mature on May 7, 2023.

b. Interest on the Sergio Lovati 2023 Bonds in the amount of \$3,147,750.00 was due on November 7, 2017, and has not been paid to Sergio Lovati by the Republic. Interest on the Sergio Lovati 2023 Bonds in the amount of \$1,573,861.50 was due on May 7, 2018, and has not been paid to Sergio Lovati by the Republic. Interest on the Sergio Lovati 2023 Bonds in the amount of \$1,573,861.50 was due on November 7, 2018, and has not been paid to Sergio Lovati by the Republic. Interest on the Sergio Lovati 2023 Bonds in the amount of \$1,573,861.50 was due on May 7, 2019, and has not been paid to Sergio Lovati by the Republic. The total amount of interest on the Sergio Lovati 2023 Bonds owed to Sergio Lovati, which has not been paid by the Republic, is \$7,869,334.50.

c. On January 25, 2019, Sergio Lovati delivered to the Republic, by written notice to the Fiscal Agent, a demand for the payment of the overdue and unpaid interest on the Sergio Lovati 2023 Bonds with respect to the interest due and unpaid with respect to the interest payments due on November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit B**.

d. On February 13, 2019, Sergio Lovati delivered to the Republic a demand for the payment of the overdue and unpaid interest on the Sergio Lovati 2023 Bonds with respect to the interest due and unpaid with respect to the interest payments due on November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit C**.

The Republic's Non-Payment on Rudi Lovati's 2023 Bonds

12. The following relates to Rudi Lovati's 2023 Bonds:

a. Rudi Lovati is the owner of \$38,074,700.00 principal amount of 2023 Bonds (the "Rudi Lovati 2023 Bonds"), issued pursuant to the FAA by the Republic. The ISIN for the Rudi Lovati 2023 Bonds is USP17625AA59. The Rudi Lovati 2023 Bonds have a coupon rate of 9% per annum and mature on May 7, 2023.

b. Interest on the Rudi Lovati 2023 Bonds in the amount of \$139,500.00 was due on November 7, 2017, and has not been paid to Rudi Lovati by the Republic. Interest on the Rudi Lovati 2023 Bonds in the amount of \$1,713,361.50 was due on May 7 2018, and has not been paid to Rudi Lovati by the Republic. Interest on the Rudi Lovati 2023 Bonds in the amount of \$1,713,361.50 was due on November 7, 2018, and has not been paid to Rudi Lovati by the Republic. Interest on the Rudi Lovati 2023 Bonds in the amount of \$1,713,361.50 was due on May 7, 2019, and has not been paid to Rudi Lovati by the Republic. The total amount of interest on the Rudi Lovati 2023 Bonds owed to Rudi Lovati, which has not been paid by the Republic, is \$5,279,584.50.

c. On January 25, 2019, Rudi Lovati delivered to the Republic, by written notice to the Fiscal Agent, a demand for the payment of the overdue and unpaid interest on the Rudi Lovati 2023 Bonds with respect to the interest payments due on November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit D**.

d. On February 13, 2019, Rudi Lovati delivered to the Republic a demand for the payment of the overdue and unpaid interest on the Rudi Lovati 2023 Bonds with respect to the interest due and unpaid with respect to the interest payments due on November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit E**.

The Republic's Non-Payment on Alessandra Sarago Lovati's 2023 Bonds

13. The following relates to Alessandra Sarago Lovati's 2023 Bonds:

a. Alessandra Sarago Lovati is the owner of \$3,460,000.00 principal amount of 2023 Bonds (the "Alessandra Sarago Lovati 2023 Bonds"), issued pursuant to the FAA by the Republic. The ISIN for the Alessandra Sarago Lovati 2023 Bonds is USP17625AA59. The Alessandra Sarago Lovati 2023 Bonds have a coupon rate of 9% per annum and mature on May 7, 2023.

b. Interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$155,700.00 was due on November 7, 2017, and has not been paid to Alessandra Sarago Lovati by the Republic. Interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$155,700.00 was due on May 7, 2018, and has not been paid to Alessandra Sarago Lovati by the Republic. Interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$155,700.00 was due on November 7, 2018, and has not been paid to Alessandra Sarago Lovati by the Republic. Interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$155,700.00 was due on May 7, 2019, and has not been paid to Alessandra Sarago Lovati by the Republic. The total amount of interest on the Alessandra Sarago Lovati 2023 Bonds owed to Alessandra Sarago Lovati, which has not been paid by the Republic, is \$622,800.00.

c. On January 25, 2019, Alessandra Sarago Lovati delivered to the Republic, by written notice to the Fiscal Agent, a demand for the payment of the overdue and unpaid interest on the Alessandra Sarago Lovati 2023 Bonds with respect to the interest payments due on

November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit F**.

d. On February 13, 2019, Alessandra Sarago Lovati delivered to the Republic a demand for the payment of the overdue and unpaid interest on the Alessandra Sarago Lovati 2023 Bonds with respect to the interest due and unpaid with respect to the interest payments due on November 7, 2017, May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit G**.

The Republic's Non-Payment on Alessandro Lucibello Piani's 2023 Bonds:

14. The following relates to Alessandro Lucibello Piani's 2023 Bonds:

a. Alessandro Lucibello Piani is the owner of \$600.00 principal amount of 2023 Bonds (the "Alessandro Lucibello Piani 2023 Bonds"), issued pursuant to the FAA by the Republic. The ISIN for the Alessandro Lucibello Piani 2023 Bonds is USP17625AA59. The Alessandro Lucibello Piani 2023 Bonds have a coupon rate of 9% per annum and mature on May 7, 2023.

b. Interest on the Alessandro Lucibello Piani 2023 Bonds in the amount of \$27.00 was due on May 7 2018, and has not been paid to Alessandro Lucibello Piani by the Republic. Interest on the Alessandro Lucibello Piani 2023 Bonds in the amount of \$27.00 was due on November 7, 2018, and has not been paid to Alessandro Lucibello Piani by the Republic. Interest on the Alessandro Lucibello Piani 2023 Bonds in the amount of \$27.00 was due on May 7, 2019, and has not been paid to Alessandro Lucibello Piani by the Republic. The total amount of interest on the Alessandro Lucibello Piani 2023 Bonds owed to Alessandro Lucibello Piani, which has not been paid by the Republic, is \$81.00.

c. On January 25, 2019, Alessandro Lucibello Piani delivered to the Republic, by written notice to the Fiscal Agent, a demand for the payment of the overdue and unpaid interest on the Alessandro Lucibello Piani 2023 Bonds with respect to the interest payments due on May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit H**.

d. On February 13, 2019, Alessandro Lucibello Piani delivered to the Republic a demand for the payment of the overdue and unpaid interest on the Alessandro Lucibello Piani 2023 Bonds with respect to the interest due and unpaid with respect to the interest payments due on May 7, 2018 and November 7, 2018. A true and accurate copy of said demand is set forth as **Exhibit I**.

FIRST CLAIM FOR RELIEF

(For Breach of Contract on the Sergio Lovati 2023 Bonds)

15. Sergio Lovati repeats and realleges the allegations set forth in paragraphs 1 through 14 herein.

16. The Sergio Lovati 2023 Bonds are bonds outstanding under the terms of the FAA.

17. On or about January 25, 2019, Sergio Lovati delivered a demand to the Republic, by written notice to the Fiscal Agent, for the payment to Sergio Lovati of the overdue and unpaid interest on the Sergio Lovati 2023 Bonds in the amount of \$6,295,473.00.

18. On or about February 13, 2019, Sergio Lovati delivered a demand directly to the Republic for the payment to Sergio Lovati of the overdue and unpaid interest on the Sergio Lovati 2023 Bonds in the amount of \$6,295,473.00.

19. Despite these notices, the Republic has failed to make any payments of interest on the Sergio Lovati 2023 Bonds to Sergio Lovati.

20. Since the delivery of the notices to the Republic, the Republic has failed to make the additional payments of interest due on the Sergio Lovati 2023 Bonds to Sergio Lovati, including the payment of \$1,573,861.50 due on May 7, 2019.

21. By reason of the foregoing, the Republic has breached its contractual obligations to Sergio Lovati, and the Republic is liable to Sergio Lovati for the amount of unpaid interest in the amount of \$7,869,334.50, plus additional amounts of principal of, and interest on, the Sergio Lovati 2023 Bonds that shall in the future become due and remain unpaid by the Republic to Sergio Lovati, plus interest thereon.

SECOND CLAIM FOR RELIEF

(For Breach of Contract on the Rudi Lovati 2023 Bonds)

22. Rudi Lovati repeats and realleges the allegations set forth in paragraphs 1 through 14 herein.

23. The Rudi Lovati 2023 Bonds are bonds outstanding under the terms of the FAA.

24. On or about January 25, 2019, Rudi Lovati delivered a demand to the Republic, by written notice to the Fiscal Agent, for the payment to Rudi Lovati of the overdue and unpaid interest on the Rudi Lovati 2023 Bonds in the amount of \$3,566,223.00.

25. On or about February 13, 2019, Rudi Lovati delivered a demand directly to the Republic for the payment to Rudi Lovati of the overdue and unpaid interest on the Rudi Lovati 2023 Bonds in the amount of \$3,566,223.00.

26. Despite these notices, the Republic has failed to make any payments of interest on the Rudi Lovati 2023 Bonds to Rudi Lovati.

27. Since the delivery of the notices to the Republic, the Republic has failed to make the additional payments of interest due on the Rudi Lovati 2023 Bonds to Rudi Lovati, including the payment of \$1,713,361.50 due on May 7, 2019

28. By reason of the foregoing, the Republic has breached its contractual obligations to Rudi Lovati, and the Republic is liable to Rudi Lovati for the amount of unpaid interest in the amount of \$5,279,584.50, plus additional amounts of principal of, and interest on, the Rudi Lovati 2023 Bonds that shall in the future become due and remain unpaid by the Republic to Rudi Lovati, plus interest thereon.

THIRD CLAIM FOR RELIEF

(For Breach of Contract on the Alessandra Sarago Lovati 2023 Bonds)

29. Alessandra Sarago Lovati repeats and realleges the allegations set forth in paragraphs 1 through 14 herein.

30. The Alessandra Sarago Lovati 2023 Bonds are bonds outstanding under the terms of the FAA.

31. On or about January 25, 2019, Alessandra Sarago Lovati delivered a demand to the Republic, by written notice to the Fiscal Agent, for the payment to Alessandra Sarago Lovati of the overdue and unpaid interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$467,100.00.

32. On or about February 13, 2019, Alessandra Sarago Lovati delivered a demand directly to the Republic for the payment to Alessandra Sarago Lovati of the overdue and unpaid interest on the Alessandra Sarago Lovati 2023 Bonds in the amount of \$467,100.00.

33. Despite these notices, the Republic has failed to make any payments of interest on the Alessandra Sarago Lovati 2023 Bonds to Alessandra Sarago Lovati.

34. Since the delivery of the notices to the Republic, the Republic has failed to make the additional payments of interest due on the Alessandra Sarago Lovati 2023 Bonds to Alessandra Sarago Lovati, including the payment of \$155,700.00 due on May 7, 2019.

35. By reason of the foregoing, the Republic has breached its contractual obligations to Alessandra Sarago Lovati, and the Republic is liable to Alessandra Sarago Lovati for the amount of unpaid interest in the amount of \$622,800.00, plus additional amounts of principal of, and interest on, the Alessandra Sarago Lovati 2023 Bonds that shall in the future become due and remain unpaid by the Republic to Alessandra Sarago Lovati, plus interest thereon.

FOURTH CLAIM FOR RELIEF

(For Breach of Contract on the Alessandro Lucibello Piani 2023 Bonds)

36. Alessandro Lucibello Piani repeats and realleges the allegations set forth in paragraphs 1 through 14 herein.

37. The Alessandro Lucibello Piani 2023 Bonds are bonds outstanding under the terms of the FAA.

38. On or about January 25, 2019, Alessandro Lucibello Piani delivered a demand to the Republic, by written notice to the Fiscal Agent, for the payment to Alessandro Lucibello Piani of the overdue and unpaid interest on the Alessandro Lucibello Piani 2023 Bonds in the amount of \$54.00.

39. On or about February 13, 2019, Alessandro Lucibello Piani delivered a demand directly to the Republic for the payment to Alessandro Lucibello Piani of the overdue and unpaid interest on the Alessandro Lucibello Piani 2023 Bonds in the amount of \$54.00.

40. Despite these notices, the Republic has failed to make any payments of interest on the Alessandro Lucibello Piani 2023 Bonds to Alessandro Lucibello Piani.

41. Since the delivery of the notices to the Republic, the Republic has failed to make the additional payments of interest due on the Alessandro Lucibello Piani 2023 Bonds to Alessandro Lucibello Piani, including the payment of \$27.00 due on May 7, 2019.

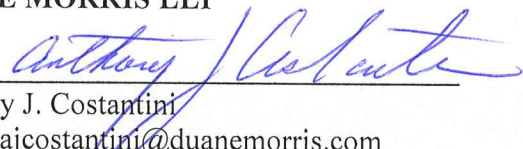
42. By reason of the foregoing, the Republic has breached its contractual obligations to Alessandro Lucibello Piani, and the Republic is liable to Alessandro Lucibello Piani for the amount of unpaid interest in the amount of \$81.00, plus additional amounts of principal of, and interest on, the Alessandro Lucibello Piani 2023 Bonds that shall in the future become due and remain unpaid by the Republic to Alessandro Lucibello Piani, plus interest thereon.

WHEREFORE, Plaintiffs Sergio Lovati, Rudi Lovati, Alessandra Sarago Lovati and Alessandro Lucibello Piani demand judgment against the Bolivarian Republic of Venezuela, as follows:

- i. On Count One, awarding Sergio Lovati damages against the Republic in the amount of at least \$7,869,334.50, plus interest;
- ii. On Count Two, awarding Rudi Lovati damages against the Republic in the amount of at least \$5,279,584.50, plus interest;
- iii. On Count Three, awarding Alessandra Sarago Lovati damages against the Republic in the amount of at least \$622,800.00, plus interest;
- iv. On Count Four, awarding Alessandro Lucibello Piani damages against the Republic in the amount of at least \$81.00, plus interest;
- v. Awarding Plaintiffs their costs, attorneys' fees and such other and further relief as this Court shall deem just and proper.

Dated: New York, New York
May 23, 2019

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